

Step by Step Guide to Starting a Business in Cambridge



City of Cambridge

A Word from Robert W. Healy *Cambridge City Manager*

The City of Cambridge is dedicated to maintaining its competitiveness and desirability as *the* place to live, work, and do business. Cambridge's continual growth and development depend, in part, upon the quality and timeliness of the information and services delivered by the City. This pamphlet has been prepared to assist residents, businesses, and developers in moving through the City's regulatory processes as easily as possible, by removing unnecessary confusion, delays, and costs. This pamphlet is one in a series, and is part of the City's ongoing effort to sustain livable neighborhoods and a positive business climate.

A handwritten signature in dark ink, reading "Robert W. Healy". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Robert W. Healy,
City Manager



This brochure explains the steps involved in starting a business in the City of Cambridge. It is meant to provide a general overview of the process and regulatory requirements; individual businesses must determine which specific regulatory requirements apply to them. Please read this entire brochure to better understand the different federal, state, and local regulatory requirements in opening a new business.

What is the first step in starting a business?

There are several critical elements to consider in starting a business. The potential business owner should have researched the chosen field of industry, developed a sound business plan, acquired the necessary capital, and considered the need for staff and equipment. An accountant, banker, lawyer, and insurance agent should be consulted for financial, legal, and other professional advice. Additionally, homeowner's insurance and automobile insurance may require adjustments to reflect business uses.

PLEASE NOTE: Within the City's Community Development Department (CDD), there is an Economic Development Division with professional staff available to assist start-up and existing businesses to develop business plans, obtain financing, and find real estate sites. Contact information for all City departments and Federal and State agencies mentioned in this brochure is listed at the back of the brochure.

What types of ownership are there?

There are three main forms of business ownership: corporation, partnership, and sole proprietorship. Corporations and partnerships have sub-classifications. For example, partnerships can be either general or limited with the main difference between the two types of partnerships being the amount of liability assumed by each of the partners. The type of ownership should be chosen after careful consideration of the pros and cons of each type with respect to division of profits and losses, liability, taxes, etc. It is advisable to consult a lawyer for further clarification.

What must be considered in identifying a business site?

The City's Zoning Ordinance governs land and building uses in Cambridge. Depending on the particular zoning district in which the business is proposed, the use may be (1) permitted as a matter of right which requires no zoning relief, (2) permitted with the grant of a Special Permit by the Planning Board (PB) or Board of Zoning Appeal (BZA) after demonstrating that certain specified conditions can be

met, or (3) not allowed by the Zoning Ordinance. Where use is not allowed by zoning, a variance from the provisions of the Ordinance may be sought by petitioning the BZA for relief. (It should be noted, however, that there is no certainty that a variance will be granted.)

Prospective business owners should contact the Inspectional Services Department (ISD) or the CDD early in their site selection process in order to determine whether their proposed business can be located as of right or, alternatively, with the grant of a special permit. If it is necessary to apply for a special permit or seek a variance, the prospective business owner should initiate their application at the earliest possible time, as the process can take three to five months. For this reason, locating the business in an area as a matter of right is preferable. Further information on the City's Zoning Ordinance can be obtained by contacting CDD or ISD.

What federal requirements must be considered or met?

- **Internal Revenue Service.** A business must have a taxpayer identification number so that the IRS can process the tax returns. There are two kinds of taxpayer identification numbers — a Social Security Number (SSN) and an Employer Identification Number (EIN). All corporations and partnerships must obtain a federal EIN by completing the IRS form SS4. Additionally, regardless of the form of ownership, any new business that has employees, or files employment, excise, information, or alcohol, tobacco or firearms returns must obtain an EIN. The application must be filed with the IRS on or before the seventh day after the date the business began. For additional information on business-specific taxes and payment schedules, the IRS should be contacted directly.
- **U.S. Department of Commerce.** Trademark and patent registration are done through the Department of Commerce. A trademark, which can be a word, name, symbol, or logo, is used to identify a particular good or service and to differentiate it from those sold by other people. Trademarks can be registered at both the federal and state level. Patent registration allows exclusive right to make, sell, or use an invention which is new and useful.
- **Library of Congress.** Copyrights lend protection for one's creative work. Literary works, computer programs, and sound recordings are examples of work that can be protected by copyright from unauthorized copying, distribution, performance and display. The protection extends to unauthorized creation of translations and

other derivative works. Federal law does not require the formalities of notice or registration to establish copyrights; however, it is still advisable to apply a copyright notice (©) and to register a copyright for each piece of work.

What state requirements must be considered or met?

- **Massachusetts Department of Employment and Training.** File an Employer's Status Report (Form 1110) with the Massachusetts Department of Employment and Training (DET) if one or more persons are employed for 13 weeks or more in one calendar year, or the payroll totals \$1,500 or more within one calendar quarter. This information is used by DET to administer the State's unemployment insurance program.
- **Massachusetts Department of Revenue.** Register to collect "trustee taxes" by filing a Massachusetts Trustee Tax Application for Original Registration (Form TA-1) with the Massachusetts Department of Revenue. Trustee taxes include payroll tax, sales tax, room occupancy excise tax, and withholdings for pension plans, annuities, and retirement distribution. Those collecting a sales or use tax will receive a Sales and Use Tax Registration Certificate (Form ST-1) to be displayed at a conspicuous location on the business premises. The Department of Revenue advises on the various tax forms required and how to file them. Contact the Department's Customer Service Bureau by phone or by visiting the office.
- **Secretary of the Commonwealth's Corporation Division.** Different forms of business ownership require different types of state authorization. A corporation is required to file Articles of Organization with the Secretary of the Commonwealth's Corporation Division. The Secretary of the Commonwealth also issues Certificates of Limited Partnership or Limited Liability Corporation. However, if a limited partnership or a limited liability corporation has filed a business certificate with a City Clerk's office, no filing is required with the Secretary of the Commonwealth.
- **Secretary of the Commonwealth's Trademark Division.** To file a trademark to distinguish a business or its service or product at state level, contact the Secretary of the Commonwealth's Trademark Division.
- In accordance with the State's Worker's Compensation Law, if a business has one or more part-time or full-time employees, obtain

Worker's Compensation Insurance from any casualty insurance company.

- There are many occupations and services which require a license, or an examination/approval from the appropriate state agency. A complete list of these occupations and services, along with contact numbers, is provided at the back of this brochure.
- Other industry specific requirements: The Alcoholic Beverage Control Commission licenses and regulates manufacturers, distillers, wholesalers, importers, agent brokers, solicitors, and liquor transportation companies. If smoke or air pollution is a component of the new business, an Air Pollution Permit may be required from the Department of Environmental Protection, Division of Air Quality Control.

What local regulations must be considered or met?

The City Clerk's Office issues business certificates for anyone conducting business under a name that is not their own. For example, Jane Doe operating a business named Jane Doe would not need a business certificate. However, if the business name were Jane Doe Associates, she would need to obtain a business certificate. The business must also register with the Assessor's office by filling out a Form of List. The form is used to aid the City in determining a fair and equitable tax assessment on business property.

Various Cambridge City departments issue different types of licenses and permits. The list below is not all encompassing; it contains only those licenses and permits appropriate to new businesses. Please note that some occupations require both city and state licenses, e.g. auctioneers.

City Clerk's Office

- **Business Certificate** - for the establishment of any business.
- **Projecting Sign/Banner Applications** - to place signs or hang banners, if either the sign or banner projects more than six inches over the public sidewalk or way, including A-frame signs and sandwich board signs. This permit is issued by the Public Works Department, but the process is initiated with the City Clerk's Office.

Community Development Department

- **Development Consultation** - allows for the City's professional staff to review and comment on real estate development proposals.

Fire Department

- **Fire Protection Equipment** - for any work related to a fire protection device including sprinkler system, water main, hydrant, or fire alarm system in a building.
- **Flammable Liquids, Solids, and Gases** - to keep, store, manufacture, or sell combustible materials, such as with gas stations and biotech research laboratories.

Inspectional Services Department (ISD)

Business-Related Permits/Licenses

- **Food Handler's Permit** - to handle and serve food to patrons, i.e. restaurants, fast food establishments, and hotels.
- **Manufacture of Frozen Desserts and/or Ice Cream Mix Permit**
- **Milk Permit** - to sell milk, i.e. for convenience stores, restaurants, and corporate cafeterias.
- **Tobacco Sales Permit** - required for any businesses selling tobacco products to the public. Applies to counter sales and vending machine sales.

Building-Related Permits

- **Building Permit** - to construct, alter, repair, or demolish a structure.
- **Certificate of Inspection** - to certify that buildings used for purposes of assembly, lodging, and institutional care meet minimum requirements to safeguard the public. A new certificate is required to increase seating capacity in establishments such as restaurants and theaters.
- **Certificate of Occupancy** - to certify that a structure is constructed or altered in accordance with the State Building Code and the City's Zoning Ordinance. Required as part of the building permit process or when there is a change in use of the business establishment.
- **Signs and Banners Permit** - a sign permit is required for the installation, modification, or repair of all signs and banners in Cambridge, including awnings and canopies.
- **Other building-related permits** - ISD issues permits to licensed persons for work related to gas, mechanical equipment, plumbing, and wiring.

License Commission

Occupation-Related Licenses

- **Auctioneer License** - to conduct an auction sale.

- **One-Day Auctioneer License** - issued to a person licensed in the Commonwealth of Massachusetts to conduct a one-day auction in the City of Cambridge.
- **Hackney License** - to drive a taxi cab.
- **Innholder License** - to run an inn in the City of Cambridge.
- **Palm Reader License** - to tell fortunes, and read palm and tarot cards.
- **Peddler/Vendor License, Annual** - to sell goods or articles.

Business-Related Licenses

- **Alcoholic Beverage License** - allows an establishment to serve liquor, i.e. restaurant or club.
- **Antique Store License** - to keep, purchase, store, sell, barter, or exchange antiques and precious metals.
- **One-Day Auction Sale License** - can be obtained by a current Commonwealth of Massachusetts Auctioneer license holder.
- **Entertainment License, Annual** - to provide automatic amusement machines, automatic music machines, dancing, comedy, and other performances at a business establishment. The License Commission should be contacted directly for a detailed list of entertainment and entertainment devices requiring this license.
- **Common Victualer License** - allows food and non-alcoholic beverages to be sold, served, and consumed on premises.
- **Garage and Gasoline License** - for a commercial or residential parking garage with space for 3 vehicles or more to keep and store flammables.
- **Jitney Permit** - to operate a vehicle for a fee along a fixed route with fixed stops.
- **Letting of Motor Vehicles License** - to operate a car rental business.
- **Livery/Limousine License** - to operate a Cambridge-based office which provides limousine service or delivery service.
- **Lodging House License** - to run a lodging house where four or more unrelated persons share a kitchen or a bathroom.
- **Medallion Owner** - to own a taxi cab.
- **Open Air Parking License** - to operate an open air parking lot that charges a fee.
- **Package Goods Store** - to sell alcoholic beverages not to be consumed on premises.

- **Pawnbroker License** - to operate a storefront pawnbroker business.
- **Second-Hand Goods Store License** - to sell or accept trade in second hand or used items.
- **Seasonal Decorations** - to sell Christmas trees or wreaths.
- **Used Car Dealer Class I** - to sell new vehicles.
- **Used Car Dealer Class II** - to buy, sell, exchange, or assemble second-hand motor vehicles or parts thereof.
- **Used Car Dealer Class III** - to sell or buy used parts or non-operative (junk) vehicles.

Police Department

- **Holiday Store Opening Permit** - to conduct business on Sundays and holidays.

Public Health Department

- **Biosafety Users Permit** - for biotech companies working on recombinant DNA.
- **Animal Laboratory Permit** - to conduct animal testing. The permit is issued by the Animal Laboratory Commission, a commission administered by the Public Health Department.
- **Funeral Director License** - available to those on State issued list of funeral directors eligible to be licensed in its municipalities.
- **Massage Therapist License** - to professionally practice massage therapy.

Public Works Department

- **Construction/Excavation Permit** - for construction projects requiring excavation, such as for the installation of electricity, gas, telephone, steam line, fire protection, sanitary sewer, storm drain, water service, curb cuts, monitoring wells, and bike racks.
- **Sidewalk Obstruction Permit** - required for sign installation, facade renovations or exterior demolition.

Traffic, Parking and Transportation

- **Commercial Parking Permit** - to build a new commercial parking facility open to the public for a fee or modify an existing commercial parking facility.
- **Non-Commercial Parking Registration Form** - to establish or change the amount of off-street parking used for business, i.e. for customers and employees.

Water Department

- **Cross Connection** - applies to new and existing construction projects to protect the public drinking water supply from pollutants and contaminants.
- **Water Works Construction** - to add new water line or fire protection line service.

Are there other considerations for home-based businesses?

- One of the biggest considerations for home-based businesses is zoning. The regulations allow home-based businesses under certain circumstances or if certain requirements are met (generally limited to customary home occupations and to recognized professions such as dentists, doctors, and lawyers). Specific questions can be directed to ISD.
- The Americans with Disabilities Act of 1990 requires businesses operating as places of public accommodation, whether home-based or not, to remove barriers to access whenever it is “readily achievable.” Detailed information may be obtained from the City’s Commission for Persons with Disabilities.

How do I contact the various departments and agencies mentioned in the brochure?

City of Cambridge Contacts:

Assessor’s Office, 795 Massachusetts Avenue, Cambridge City Hall.
Phone (617) 349-4343; Fax (617) 349-4357; TTY (617) 349-4242

City Clerk’s Office, 795 Massachusetts Avenue, Cambridge City Hall.
Phone (617) 349-4260; Fax (617) 349-4269; TTY (617) 349-4242

Commission for Persons with Disabilities, 51 Inman Street, 2nd Floor.
Phone (617) 349-4692; Fax (617) 349-4766; TTY (617) 492-0235

Community Development Department, 57 Inman Street, 3rd Floor.
Phone (617) 349-4600; Fax (617) 349-4669; TTY (617) 492-4621

Fire Department Headquarters, 491 Broadway.
Phone (617) 349-4918; Fax (617) 349-4912;
TTY (617) 499-9924/9932

Inspectional Services Department, 831 Massachusetts Avenue.
Phone (617) 349-6100; Fax (617) 349-6132; TTY (617) 349-6112

License Commission, 831 Massachusetts Avenue.
Phone (617) 349-6140; Fax (617) 349-6148; TTY (617) 349-6112

Police Department, 5 Western Avenue.

Phone (617) 349-3331; Fax (617) 349-3335;

TTY (617) 499-9924/9932

Public Health Department, One Kendall Square.

(mailing address - 1493 Cambridge St.).

Phone (617) 498-1480; Fax (617) 498-1514; TTY (617) 498-1462

Public Works Department, 147 Hampshire Street.

Phone (617) 349-4800; Fax (617) 349-4868; TTY (617) 349-4805

Traffic, Parking & Transportation, 57 Inman Street, 1st Floor.

Phone (617) 349-4712; Fax (617) 349-4747; TTY (617) 492-4621

Water Department, 100 Smith Place (during construction of the new water treatment facility; the mailing address remains the same at 250 Fresh Pond Parkway).

Phone (617) 349-4770; Fax (617) 349-4796; TTY (617) 492-0235

Contact all City departments at the City's Web Site at:

<http://www.ci.cambridge.ma.us>

State of Massachusetts Contacts:

Massachusetts Department of Employment and Training,

19 Staniford Street, Boston, MA 02114.

Phone (617) 727-6560 <http://www.state/det/>

Massachusetts Department of Revenue, Customer Service Bureau

100 Cambridge Street, 2nd Floor, Boston, MA 02204.

Phone (800) 392-6089 <http://www.state/dor/dorpg.htm>

Secretary of the Commonwealth, Corporations Division - Trademarks

1 Ashburton Place, 17th Floor, Boston, MA 02108.

Phone (617) 727-8329 <http://www.state/sec/cor/coridx.htm>

Alcohol Beverage Control Commission, 100 Cambridge Street,
Room 2204, Boston, MA 02202.

Phone (617) 727-3040

Department of Environmental Protection, Air Quality Control

One Winter Street, 7th Floor, Boston, MA 02108.

Phone (617) 292-5630

State Agencies Contacts for Occupation License, Examination, or

Approval: Information can be obtained by contacting the appropriate phone number below or by checking the Commonwealth of Massachusetts web site: <http://www.state/reg/boards/htm> and <http://www.state/ma/us/sec/cis/ciscig/k/k1k76.htm#k8>.

Accountants (CPA)	(617) 727-1806	Engineering and Surveying	(617) 727-9956
Allied Health Professionals	(617) 727-3071	Food Handlers (wholesale)	(617) 983-6712
Allied Mental Health Professionals	(617) 727-3080	Funeral Directors & Embalming	(617) 727-1718
Ambulance Service	(617) 727-8338	Health Care Facilities	(617) 753-8000
Amusement Parks/ Carnival Rides	(617) 727-3200	Health Officers	(617) 727-3069
Architects	(617) 727-3072	Insurance	(617) 521-7392
Asbestos Abatement	(617) 727-7047	Landscape Architects	(617) 727-3072
Attorneys	(617) 482-4467	Lead Paint	(617) 753-8400
Auctioneers	(617) 727-3480	Liquor Sales	(617) 727-3040
Banking	(617) 727-3141	Medical Doctors	(617) 727-3086
Barbers	(617) 727-7367	Milk Dealers	(617) 727-3000
Child Care	(617) 727-8900	Motion Picture Operators	(617) 727-3200
Chiropractors	(617) 727-3093	Motor Vehicle Damage Appraisers	(617) 521-7453
Cigarette Sales	(617) 626-3081	Motor Vehicle Inspection Stations	(617) 351-9333
Collection Agency	(617) 727-3141	Motor Vehicle Repair Shops	(617) 727-3480
Concrete Technician/ Testing Labs	(617) 727-7532	Notary Public/ Justice of the Peace	(617) 727-2795
Construction Supervisors	(617) 727-7532	Nurseries and Greenhouses	(617) 727-3031 ext.124
Consumer Lenders	(617) 727-3141	Nurses	(617) 727-9961
Cosmetologists	(617) 727-9940	Nurses Aides	(617) 727-5860
Dentists and Dental Hygienists	(617) 727-9928	Nursing Home Administrators	(617) 727-3069
Detective/ Security Agency	(617) 727-6128	Nursing/Rest Homes	(617) 727-5860
Diesel Fuel	(617) 626-3060	Opticians (dispensing)	(617) 727-3093
Drinking Water Supply Facilities Operators	(617) 727-3072	Optometrists	(617) 727-3093
Driving Schools	(617) 351-9450	Outdoor Advertisers	(617) 973-7867
Electricians	(617) 727-9931		
Electrologists	(617) 727-9957		
Elevators/Escalators	(617) 727-3200		
Employment Agency	(617) 727-3696		

Peddlers and
 Hawkers (617) 727-3480
 Personnel Consultant (617) 727-3696
 Pesticide Applicators (617) 727-7300
 ext. 128
 Pet Shop (617) 727-3018
 ext. 158
 Pharmacists (617) 727-9953
 Physicians (617) 727-3086
 Physician's Assistants (617) 727-3069
 Plumbers and
 Gas Fitters (617) 727-9952
 Podiatry (617) 727-1747
 Psychologists (617) 727-9925
 Radio and Television
 Technicians (617) 727-3067
 Real Estate
 Appraisers (617) 727-3055
 Real Estate Sales
 and Brokers (617) 727-2373
 Respiratory Care
 Therapists (617) 727-1747

Sanitarians (617) 727-3072
 Savings and Loans (617) 727-3141
 Scale Licenses (weights
 & measures) (617) 727-3480
 Securities (617) 727-3548
 Social Workers (617) 727-3073
 Speech and Language
 Pathologists (617) 727-1747
 Stockbrokers/
 Financial Planners (617) 727-3548
 Teachers and
 Educators (781) 388-3300
 ext. 665
 Ticket Agency
 or Agents (617) 727-3200
 Truckers (617) 351-9317
 Vending Machines (617) 522-3700
 Veterinary Medicine (617) 727-3080
 Warehouse (public) (617) 727-3200

Federal Government Contacts:

Internal Revenue Service Attn: Entity Control, Andover, MA 05501.

Phone (978) 474-9717

http://www.irs.ustreas.gov/prod./bus_info/index.html

Department of Commerce, Patent and Trademark Office,
 Washington, DC 20231.

Phone (703) 557-5249 <http://www.uspto.gov/>

Copyright Office - Register, Library of Congress, Washington, DC 20540.

Phone (202) 707-9100

City Manager

Robert W. Healy

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City Council

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Councillor Henrietta Davis

Councillor Kenneth E. Reeves

Councillor Sheila Russell

Councillor Michael Sullivan

Councillor Timothy Toomey, Jr.

Councillor Katherine Triantafillou

The Community Development Department of the City of Cambridge has prepared a Guide to City Offices and Permitting containing a city-wide map of all permit issuing agencies, their contact information, and a comprehensive listing of permits issued by various City departments. If you would like to receive a copy, please call (617) 349-4600. Other permit brochure titles currently available by dialing the same number include:

Step-by-Step Guide to Curb Cuts

Step-by-Step Guide to Building Permits

Step-by-Step Guide to Fire Safety

Step-by-Step Guide to Obtaining Permits and
Licenses Required to Hold a Special Event

Step-by-Step Guide to Obtaining Historical Commission Certificates and
Neighborhood Conservation District Commission Certificates

The City of Cambridge does not discriminate on the basis of disability. The City will provide auxiliary aids and services, written materials in alternative formats, and reasonable modifications in policies and procedures to persons with disabilities upon request.

The information contained in this document may not be complete or fully up to date and is subject to change. To confirm information regarding a permitting process, contact the appropriate City of Cambridge department(s). This document should be used strictly for informational purposes. All other uses require the written permission of the City of Cambridge.